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UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,	)	Case No. 2:16-cv-00579-MWF-SS
	)	
Plaintiff,	)	
	)	
v.	)	STIPULATION AS TO ENTRY OF
	)	ORDER FOR PERMANENT
DEVRY EDUCATION GROUP	)	INJUNCTION AND MONETARY
INC., formerly known as DeVry Inc.,	)	JUDGMENT
a corporation;	)	
	)	
DEVRY UNIVERSITY, INC., a	)	
corporation; and	)	
	)	
DEVRY/NEW YORK INC., a	)	
corporation;	)	
	)	
Defendants.	)	

1 On January 27, 2016, Plaintiff, the Federal Trade Commission  
 2 (“Commission” or “FTC”), filed its *Complaint For Permanent Injunction and*  
 3 *Other Equitable Relief* (Dkt # 1) (“Complaint”) pursuant to Section 13(b) of the  
 4 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). On May 16,  
 5 2016, DeVry Education Group Inc., DeVry University, Inc., and DeVry/New York  
 6 Inc. (“Defendants”) filed *Defendants’ Answer to Plaintiff Federal Trade*  
 7 *Commission’s Complaint* (Dkt #42) (“Answer”), in which Defendants denied the  
 8 charges in the Complaint.

9 The Commission and Defendants stipulate to the entry of a Stipulated Order  
 10 for Permanent Injunction and Monetary Judgment (“Order”), lodged concurrently  
 11 with this Stipulation, to resolve all matters in dispute in this action between them,  
 12 with the following terms and provisions:

### 13 FINDINGS

- 14 1. This Court has jurisdiction over this matter.
- 15 2. The Complaint charges that Defendants participated in deceptive acts  
 16 or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, in the  
 17 advertising, marketing, and sale of their educational products and services.
- 18 3. Defendants neither admit nor deny any of the allegations in the  
 19 Complaint, except as specifically stated in this Order. Only for purposes of this  
 20 action, Defendants admit the facts necessary to establish jurisdiction.
- 21 4. Defendants waive any claim that they may have under the Equal  
 22 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action  
 23 through the date of this Order, and agree to bear their own costs and attorneys’  
 24 fees. The Commission also agrees to bear its own costs and fees. Defendants also  
 25 agree to release the FTC and all of its agents, employees, and servants from any  
 26 other claims (including attorneys’ fees, costs, and expenses of every kind and  
 27 however denominated) that any Defendant has asserted or could have asserted  
 28 against the FTC, its employees, servants and agents concerning the Defendants’

1 conduct that is the subject of this action or the FTC's investigation or prosecution  
2 thereof.

3 5. Defendants and the Commission waive all rights to appeal or  
4 otherwise challenge or contest the validity of this Order.

### 5 **DEFINITIONS**

6 For the purpose of this Order, the following definitions apply:

7 A. "Competent and Reliable Evidence" means tests, analyses, research,  
8 studies, or other evidence based on the expertise of professionals in the relevant  
9 area, that have been conducted and evaluated in an objective manner by qualified  
10 persons, using procedures generally accepted in the profession to yield accurate  
11 and reliable results.

12 B. "DeVry" means DeVry Education Group Inc., DeVry University, Inc.,  
13 and DeVry/New York Inc., their successors and assigns, individually, collectively,  
14 or in any combination, and any of their subsidiaries located in the United States or  
15 marketing to United States consumers.

16 C. "Non-Disparagement Agreement" means any clause of any contract or  
17 agreement that purports to prohibit any person from providing information, making  
18 statements, or otherwise communicating in any way about the person's experiences  
19 as a student, prospective student, or graduate, including, but not limited to, any  
20 clause that prohibits the person from providing such information to state, federal or  
21 non-governmental entities; filing complaints with any consumer protection entity;  
22 or making any such statement to any person or through any media; provided,  
23 however, that this shall not include any clause or the portion of any clause that  
24 limits the disclosure in any way of the terms of any confidential settlement,  
25 issuance of any credit or refund, or negotiations regarding a proposed or actual  
26 settlement, credit or refund.

27 //

28 //

**ORDER**

**I. PROHIBITION AGAINST DECEPTIVE CLAIMS**

**IT IS ORDERED** that DeVry, DeVry's officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale any educational product or service, are permanently restrained and enjoined from:

A. Misrepresenting, expressly or by implication, the success that students or graduates have realized or are likely to realize in starting or obtaining careers, jobs or employment. This prohibition includes, but is not limited to, misrepresenting:

1. the extent to which—whether expressed by a number, a percentage or otherwise—graduates or any subset of graduates have obtained jobs or careers:
  - a. in their field of study;
  - b. in any specified field or type of employment;
  - c. with any given category or type of employer;
  - d. with any particular employer; or
  - e. within a given time frame;
2. the extent to which any employment statistic, or any other statement that refers to the employment success or status of students or graduates, reflects the success of students or graduates who were actively seeking employment;
3. the extent to which any employment statistic, or any other statement that refers to the employment success or status of students or graduates, either includes or does not include any subset of students or graduates; or

1           4.     that any individual obtained a job or career, in his or her field of study  
2                     or otherwise, as a result of attending DeVry.

3           B.     Misrepresenting, expressly or by implication, the compensation or  
4     compensation range that students or graduates of DeVry have received, or can be  
5     expected to receive, including but not limited to, misrepresenting that the  
6     compensation of any group of students or graduates is or was (a) equal to or greater  
7     than a specific amount, average or median, or (b) equal to or greater than the  
8     compensation received by any other group of students or graduates;

9           C.     Misrepresenting, expressly or by implication, any other fact material  
10    to consumers concerning any such product or service;

11          D.     Making any representation, expressly or by implication:

- 12          1.     that any employment statistic reflects the success of graduates in  
13                     obtaining employment near or after graduation when the statistic  
14                     includes employment that graduates obtained (a) before purchasing  
15                     the product or service, or (b) at any time more than six months prior to  
16                     graduating; provided, however, that, nothing in this Subsection D.1  
17                     shall be construed to prohibit DeVry from making a representation to  
18                     a state or federal authority or programmatic or institutional accreditor  
19                     on a reporting form required by such entity, provided further that  
20                     DeVry clearly and conspicuously disclose on such form, either as the  
21                     primary number or in a footnote in 14-point font, the percentage of  
22                     students who obtained their jobs upon or after graduating; or
- 23          2.     that any employment statistic reflects the employment status or  
24                     employment success of graduates who were actively seeking  
25                     employment if graduates were classified as not actively seeking  
26                     employment based on (a) having waived career-services assistance, in  
27                     whole or in part, or (b) the extent to which the graduates used career  
28                     services.

1 E. Making any representation, expressly or by implication, about the  
 2 benefit of any educational product or service, or the success or likely success of  
 3 any student or graduate, unless the representation is non-misleading, and, at the  
 4 time such representation is made, DeVry possesses and relies upon Competent and  
 5 Reliable Evidence that is sufficient to substantiate that the representation is true.

6 F. Nothing in Section I shall be construed to prohibit DeVry from  
 7 engaging in conduct that is required by any applicable law, regulation, or request  
 8 of any governmental authority.

## 9 **II. PRESERVATION OF RECORDS RELATING TO SUBSTANTIATION**

10 **IT IS FURTHER ORDERED** that:

11 A. DeVry must preserve all Competent and Reliable Evidence relied  
 12 upon to substantiate any representation covered by Section I.E of this Order.

13 B. If DeVry makes any representation covered by Section I.E of this  
 14 Order that relates to any class of current or former students or graduates, DeVry  
 15 must preserve the following related to any such representation, whether or not  
 16 relied upon to substantiate the representation:

- 17 1. All student files relating to the students or graduates;
- 18 2. All emails, letters, and other communications constituting or relating  
 19 to complaints received from any student or graduate, either directly or  
 20 through any third party, regarding: the person's experience in  
 21 attempting to obtain a career, job, or employment; the compensation  
 22 or compensation range of jobs; the assistance the person received or  
 23 failed to receive from DeVry in attempting to find employment; or  
 24 any advertising or marketing that referred to obtaining employment or  
 25 to compensation received by past graduates.
- 26 3. All forms completed by or received from any student, graduate or  
 27 third party relating to any student's or graduate's employment status,  
 28

1 job search, or use of, or desire to use, any career-related services  
 2 offered by DeVry;

3 4. All documents and information relating to any student's or graduate's  
 4 employment status or income at any point before or after graduation;

5 5. All documents relating to any audit, review, survey or analysis  
 6 underlying or supporting any rate or statistic used in any  
 7 representation covered by Section I.E of this Order, including the  
 8 employment status or compensation of students or graduates; and

9 6. All documents, including, but not limited to, manuals, training  
 10 materials, guidelines and instructions relating to the methodology that  
 11 DeVry utilizes to determine any calculation, rate or statistic used in  
 12 any representation covered by Section I.E of this Order, including, but  
 13 not limited to, how to classify the employment status of any student or  
 14 graduate, and any factor utilized in determining the number of  
 15 students or graduates placed in the numerator or the denominator of  
 16 any such calculation, rate or statistic.

17 C. In the event that DeVry receives a request from a Commission  
 18 representative for any such documents or data, DeVry shall produce such  
 19 documents or data within 45 days, in accordance with the instructions set forth in  
 20 Section IX.E (Compliance Reporting) below and in compliance with the Family  
 21 Educational Rights and Privacy Act of 1974 (20 U.S.C. § 1232g; 34 C.F.R. Part  
 22 99).

### 23 **III. TRAINING PROGRAM**

24 **IT IS FURTHER ORDERED** that for 20 years after entry of this Order,  
 25 DeVry must:

26 A. Within 120 days of the issuance of this Order, establish and  
 27 implement a training program for all principals, officers, directors, managers,  
 28

1 employees, agents, and representatives who direct or engage in the promotion or  
2 sale of any educational product or service;

3 B. Upon implementation of the training program, and continuing  
4 thereafter, designate a manager to coordinate and oversee the implementation of  
5 this training program;

6 C. Require all current principals, officers, directors, managers,  
7 employees, agents, and representatives who direct or engage in the promotion or  
8 sale of any educational product or service to complete the training program within  
9 120 days of the issuance of this Order, and require all future principals, officers,  
10 directors, managers, employees, agents, and representatives to complete the  
11 training program before directing or engaging in the promotion or sale of any  
12 educational product or service product or service;

13 D. Ensure that the training program addresses the trainee's duty not to  
14 use or make any representation prohibited under this Order;

15 E. Secure from each participant in this training program, at the  
16 conclusion of training, a signed statement acknowledging that he or she has  
17 completed the program; and

18 F. Maintain and upon request provide the Commission all such  
19 acknowledgments and a copy of all materials used in the training program.

#### 20 **IV. PROHIBITION AGAINST NON-DISPARAGEMENT CLAUSES**

21 **IT IS FURTHER ORDERED** that DeVry, DeVry's officers, agents,  
22 employees, and attorneys, and all other persons in active concert or participation  
23 with any of them, who receive actual notice of this Order, whether acting directly  
24 or indirectly, are hereby permanently restrained and enjoined from:

25 A. Entering into any Non-Disparagement Agreement with any person in  
26 connection with (1) the issuance of any credit or refund of money paid for, or (2)  
27 any settlement of any dispute or complaint concerning the sale or promotion of,  
28 any educational product or service; or



1           B.     Enforcing any existing Non-Disparagement Agreement against any  
2 person who entered into such an agreement to receive a refund of any payment that  
3 was made for, or to settle any dispute concerning, any educational product or  
4 service.

5                           **V. COOPERATION WITH CUSTOMERS**

6           **IT IS FURTHER ORDERED** that, except as otherwise provided by law,  
7 DeVry shall cooperate in a timely manner with all reasonable requests for  
8 information or documents relating to DeVry University enrollment or billing that  
9 DeVry receives from any current or former student. Such cooperation shall  
10 include, but is not limited to, providing copies of the student's transcripts,  
11 registration documents, diplomas, other information confirming the student's  
12 school, program(s) of study, or dates of enrollment, and itemized billing statements  
13 to the current or former student or to that person's authorized representative. Such  
14 documents and information shall be provided within 15 business days of receipt of  
15 a request made by the student or former student that was submitted by mail, email,  
16 or fax. DeVry shall provide, on all DeVry University enrollment agreements,  
17 registration documents, and billing statements, a statement of how to make such a  
18 request, and shall provide a mailing address, email address and fax number that  
19 shall be used for making such requests. DeVry also will make reasonable efforts to  
20 identify requests for diplomas or transcripts that any current or former DeVry  
21 University students made between September 30, 2015 and the date of entry of the  
22 Order and will issue the requested diploma or transcript to the individual's last  
23 known contact information within 60 days after the date of entry of the Order. No  
24 current or former DeVry University student shall be denied access to his or her  
25 diploma or transcript due to any hold that DeVry University has previously placed  
26 on the release of such document. Nothing in this provision shall be construed to  
27 require DeVry to act in a manner that is in conflict with their obligations under the  
28

1 Family Educational Rights and Privacy Act of 1974 (20 U.S.C. § 1232g; 34 C.F.R.  
2 Part 99).

### 3 **VI. MONETARY JUDGMENT**

4 **IT IS FURTHER ORDERED** that:

5 A. Judgment in the amount of One Hundred Million Dollars  
6 (\$100,000,000) is entered in favor of the Commission against Defendants, jointly  
7 and severally, as equitable monetary relief. This judgment consists of:

8 1. A payment of Forty-Nine Million Four Hundred Thousand Dollars  
9 (\$49,400,000) to the Commission.

10 a. Defendants are ordered to pay to the Commission \$49,400,000,  
11 which as Defendants stipulate, their undersigned counsel, as of  
12 December 9, 2016, holds in escrow for no purpose other than  
13 payment to the Commission.

14 b. Such payment must be made within 7 days of entry of this  
15 Order by electronic fund transfer in accordance with  
16 instructions previously provided by a representative of the  
17 Commission.

18 2. A total of Thirty Million Three Hundred Fifty-One Thousand and  
19 Nineteen Dollars (\$30,351,019) in forgiveness of unpaid private  
20 student loans that DeVry issued directly to current or past students of  
21 DeVry University.

22 a. Pursuant to this provision, within 7 days after entry of this  
23 Order, Defendants shall forgive and cancel the entire unpaid  
24 balance of all private student loans issued to DeVry University  
25 students between September 1, 2008 and September 30, 2015,  
26 as described on the document that Defendants submitted to  
27 counsel for the FTC on November 30, 2016, describing the  
28 intended forgiveness of unpaid private student loans (“Loan

1 Forgiveness Sheet”), for a total amount of no less than  
2 \$30,351,019.

3 b. Because the Loan Forgiveness Sheet that Defendants provided  
4 to FTC counsel on November 30, 2016, was redacted by  
5 agreement to avoid disclosure of Personally Identifiable  
6 Information in violation of the Family Educational Rights and  
7 Privacy Act of 1974 (20 U.S.C. § 1232g; 34 C.F.R. Part 99),  
8 Defendants shall, within 30 days after the date of entry of this  
9 Order, email to the undersigned counsel for the FTC the  
10 unredacted version of the Loan Forgiveness Sheet; provided,  
11 however, that Defendants shall not include Personally  
12 Identifiable Information of any person who has, after receiving  
13 the notice required by Subsection B.1 of this Section (below),  
14 obtained a protective order from this Court prohibiting such  
15 disclosure; provided further, that, with respect to any person  
16 who has sought a protective order but has not obtained a ruling,  
17 Defendants shall not disclose such person’s Personally  
18 Identifiable Information unless and until the Court denies the  
19 person’s request.

20 c. The forgiveness and cancellation required by this Subsection  
21 includes all unpaid interest and fees that accrued up to  
22 November 30, 2016, as well as any outstanding principal  
23 balance. No interest or fees that accrue after November 30,  
24 2016, may be added to these accounts.

25 d. Defendants shall, within 10 days after entry of this Order,  
26 provide a signed declaration to the FTC attesting that they have  
27 effectuated the loan forgiveness required by Subsection A.2 of  
28 this Section. The declaration shall be sent in accordance with

1 the instructions in Section IX.E of this Order, and also sent by  
2 email to the undersigned FTC counsel.

3 e. Within 7 days after entry of this Order, the people listed on the  
4 Loan Forgiveness Sheet will owe nothing on their accounts, and  
5 their accounts will be closed out.

6 f. Defendants shall, within 30 days of receipt, refund any  
7 payments received on any loan balance after November 30,  
8 2016, that has been forgiven pursuant to Subsection A.2 of this  
9 Section.

10 3. A total of Twenty Million Two Hundred Forty-Eight Thousand Nine  
11 Hundred Eighty-One Dollars (\$20,248,981) in forgiveness of debts  
12 from accounts receivable, relating to debts of individuals who have  
13 been DeVry University students.

14 a. Pursuant to this provision, within 7 days after entry of this  
15 Order, Defendants shall forgive and cancel debts in the amounts  
16 described on the document that Defendants submitted to  
17 counsel for the FTC on November 30, 2016, describing the  
18 intended forgiveness of accounts receivable (“Debt Forgiveness  
19 Sheet”), for a total amount of \$20,248,981.

20 b. Because the Debt Forgiveness Sheet that Defendants provided  
21 to FTC counsel on November 30, 2016, was redacted by  
22 agreement to avoid disclosure of Personally Identifiable  
23 Information in violation of the Family Educational Rights and  
24 Privacy Act of 1974 (20 U.S.C. § 1232g; 34 C.F.R. Part 99),  
25 Defendants shall, within 30 days after the date of entry of this  
26 Order, email to the undersigned counsel for the FTC the  
27 unredacted version of the Debt Forgiveness Sheet; provided,  
28 however, that Defendants shall not include Personally

Identifiable Information of any person who has, after receiving the notice required by Subsection B.1 of this Section, obtained a protective order from this Court prohibiting such disclosure; provided further, that, with respect to any person who has sought a protective order but has not obtained a ruling, Defendants shall not disclose such person's Personally Identifiable Information unless and until the Court denies the person's request.

c. The forgiveness and cancellation required by this Subsection includes all unpaid interest and fees that accrued up to November 30, 2016, as well as any outstanding principal balance. No interest or fees that accrue after November 30, 2016, may be added to these accounts. With respect to all accounts receivable that are forgiven in full, those accounts shall be closed out and the balance of those accounts shall be zero.

d. Defendants shall, within 10 days after entry of this Order, provide a signed declaration to the FTC attesting that they have effectuated the debt forgiveness required by this Subsection A.3. The declaration shall be sent in accordance with the instructions in Section IX.E of this Order, and also sent by email to the undersigned FTC counsel.

e. Defendants shall, within 30 days of receipt, refund any payments received after November 30, 2016, on any debt that has been forgiven pursuant to this Subsection A.3.

B. For purposes of enabling the FTC to conduct a redress program and to ensure that forgiveness of obligations as described in Subsection A.2 or A.3 of this Section is effectuated, Defendants shall provide a list to the undersigned counsel

for the FTC that includes the information described below for: (1) each person who enrolled in one or more of Defendants' bachelor's or associate degree programs between January 1, 2008 and September 30, 2015, and (a) graduated from such bachelor's or associate degree program, or (b) was still actively enrolled in such bachelor's or associate degree program as of November 30, 2016; and (2) each person who is receiving forgiveness of an obligation as described in Subsection A.2 or A.3 of this Section. Defendants shall include the following information for each such person: name, student ID number, any student identifier that is included in the Loan Forgiveness Sheet or Debt Forgiveness Sheet, whether the person is listed on the Loan Forgiveness Sheet or the Debt Forgiveness Sheet, last known addresses, last known email addresses, last known telephone numbers, and, as applicable, the nature, amount, and account number of any obligation that is required to be forgiven in Subsection A.2 or A.3 of this Section.

1. Provided, however, that:

- a. this requirement shall not be construed to require Defendants to violate the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. § 1232g; 34 C.F.R. Part 99);
- b. accordingly, Defendants are ordered, by the end of the third day after entry of this Order, to publish public notice that Defendants intend to provide the Federal Trade Commission with the information described in this Subsection, and advising such persons of their rights in the event they object to the proposed disclosure to the FTC;
- c. Defendants are not required to provide information to the FTC as required in this Subsection regarding any recipient of the notice if the person has, within 21 days after the publication of such public notice described in Section VI.B.1.b, obtained a protective order from this Court prohibiting the release of such

information. With respect to any person who has sought a protective order but has not obtained a ruling, Defendants shall not disclose such person's Personally Identifiable Information unless and until the Court denies the person's request.

2. Defendants shall provide the information required by this Subsection B to the undersigned counsel for the FTC by no later than the 30th day after the date of entry of this Order.

C. Defendants shall, within 30 days after entry of this Order, send a letter and an email to the last known mailing address and email address for each person listed on the Debt Forgiveness Sheet or Loan Forgiveness Sheet.

1. The letter and the email to be sent to individuals listed on the Debt Forgiveness Sheet and the Loan Forgiveness Sheet shall clearly state in large font that, as part of a settlement of a lawsuit that the Federal Trade Commission filed against DeVry University, DeVry University has canceled and forgiven the consumer's debt. The letter and email shall also state the nature of the debt (e.g., DeVry student loan) and the total amount of debt that was forgiven, whether such forgiveness was full or partial forgiveness, and the applicable account number.
2. In addition, the letter and email shall clearly advise the recipient that (a) DeVry University has notified relevant credit reporting agencies and collection agencies that the debt(s) as described in the letter or the email has been forgiven, and (b) that, to the extent a transcript or diploma has been withheld on grounds of nonpayment of a debt, those documents will be made available and released. The letter and the email shall also shall provide recipients with a DeVry University telephone number that recipients and any co-signers may call, starting the 45th day after the date of entry of this Order, to speak with a live person in the event of any further collection activity or in the event

1 that the forgiveness and cancellation is not reflected on the relevant  
2 person's credit reports.

3 3. The letter and email shall not include any marketing messages or any  
4 statements other than the advisory statements described in this  
5 Section. Defendants shall not include anything in or with the letter or  
6 email that is inconsistent with the purpose of advising the recipient of  
7 the forgiveness and cancellation of his or her debt.

8 4. The outside of the envelope and the subject line of the email shall  
9 include the statement: "Notice of Settlement of FTC v. DeVry."

10 5. At least 7 days prior to sending the required letter and email,  
11 Defendants shall provide a copy, including the envelope, of the  
12 proposed letter and email to FTC counsel for good-faith approval, to  
13 be based on whether the letter and email comply with the terms of this  
14 Order, with approval not to be unreasonably withheld. In the event of  
15 a dispute, the FTC shall bear the burden of persuading the Court that  
16 the proposed letter and email should be modified before being sent.

17 D. Within 30 days after entry of this Order, Defendants shall, with  
18 respect to the debts listed on the Debt Forgiveness Sheet and Loan Forgiveness  
19 Sheet, accurately and fully report the loan forgiveness and cancellation to all credit  
20 reporting agencies or other third parties to which any Defendant has reported  
21 information concerning these debts.

22 E. Within 30 days after entry of this Order, Defendants shall notify every  
23 collection agency or other third party to which Defendants have referred or  
24 transferred any debt of any person listed on the Debt Forgiveness Sheet or Loan  
25 Forgiveness Sheet that the debt as listed on either of these sheets has been forgiven  
26 and canceled and that the collection agency or other third party must immediately  
27 cease efforts to collect such amounts.

28 //



1 F. Defendants shall, beginning within 45 days after entry of this Order,  
 2 and up through the end of the 15th month following entry of this Order, maintain a  
 3 telephone number that the current and former DeVry University students identified  
 4 in the Debt Forgiveness Sheet and Loan Forgiveness Sheet, and any co-signors or  
 5 other persons whose credit rating may also be affected, may use to report any  
 6 problems with collection activity regarding the forgiven obligation or inaccuracies  
 7 in the reporting of the forgiven obligation. This telephone number shall be  
 8 identified in the letter and email that Defendants are required to send pursuant to  
 9 Section VI.C above.

- 10 1. Defendants shall ensure that people calling this telephone number are  
 11 able within a reasonable amount of time to speak to a live person and  
 12 shall take good-faith efforts to minimize any wait time.
- 13 2. Defendants shall maintain a log of all calls received on this telephone  
 14 number, including the name and number of the person calling and the  
 15 nature of the call, and shall provide the log to the FTC upon request.
- 16 3. Defendants shall further take steps to respond to complaints to ensure  
 17 that, as required by this Order, all collection efforts have ceased and  
 18 that the credit reporting agencies have been properly notified of the  
 19 forgiven obligations, and shall create and maintain a log of all such  
 20 steps that Defendants have taken, to be produced to the FTC upon  
 21 request.

22 G. Defendants relinquish dominion and all legal and equitable right, title,  
 23 and interest in all assets transferred pursuant to this Order and may not seek the  
 24 return of any assets.

25 H. Defendants agree that the facts as alleged in the Complaint filed in  
 26 this action shall be taken as true without further proof in any bankruptcy case or  
 27 subsequent civil litigation pursued by the Commission to enforce its rights to any  
 28 payment or money judgment pursuant to this Order, including, but not limited to, a

1 nondischargeability complaint in any bankruptcy case. Defendants further  
2 stipulate and agree that the facts alleged in the Complaint establish all elements  
3 necessary to sustain an action pursuant to, and that this Order shall have collateral  
4 estoppel effect for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11  
5 U.S.C. § 523(a)(2)(A). For all other purposes and with respect to all other parties,  
6 Defendants' stipulation in this Section shall have no effect. It is specifically  
7 agreed and acknowledged that this Section is not intended to be, nor shall it be,  
8 construed as an admission of liability by Defendants with respect to the allegations  
9 set forth in the Complaint with respect to any claims or demands by any third  
10 parties.

11 I. Defendants acknowledge that their Taxpayer Identification Numbers  
12 may be used for collecting and reporting on any delinquent amount arising out of  
13 this Order, in accordance with 31 U.S.C. § 7701.

14 J. All money paid to the Commission pursuant to this Order may be  
15 deposited into a fund administered by the Commission or its designee to be used  
16 for equitable relief, including consumer redress and any attendant expenses for the  
17 administration of any redress fund. If a representative of the Commission decides  
18 that direct redress to consumers is wholly or partially impracticable or money  
19 remains after redress is completed, the Commission may apply any remaining  
20 money for such other equitable relief (including consumer information remedies)  
21 as it determines to be reasonably related to Defendants' practices alleged in the  
22 Complaint. Any money not used for such equitable relief is to be deposited to the  
23 U.S. Treasury as civil disgorgement. Defendants have no right to challenge any  
24 actions the Commission or its representatives may take pursuant to this Subsection.  
25 It is the intention of the parties to this settlement that any amount paid to  
26 consumers will be deducted from any future claims by that consumer for the same  
27 conduct alleged in the FTC's Complaint herein. In the event that any Defendant  
28 receives such a claim from any consumer, litigant, or government agency, the FTC,

1 upon written request from the Defendant, shall advise the Defendant within 30  
 2 days (to be extended upon the reasonable request of the Commission) of the total  
 3 amount paid to all claimants, and whether the FTC has provided any funds to each  
 4 consumer under this Subsection, and if it has, the amount paid. Defendants shall  
 5 keep such information confidential, including but not limited to requesting that  
 6 Defendants' agents, attorneys, experts, and accountants, any governmental agency,  
 7 and any opposing counsel receiving the information shall keep it confidential. For  
 8 purposes of this provision, Defendants shall provide a request by email to the FTC  
 9 via [redress@ftc.gov](mailto:redress@ftc.gov).

10 K. No asset transfer required by this Order should be deemed a fine,  
 11 penalty, forfeiture, or punitive assessment.

## 12 **VII. CUSTOMER INFORMATION**

13 **IT IS FURTHER ORDERED** that DeVry, the officers, agents, employees,  
 14 and attorneys of each of the DeVry entities, and all other persons in active concert  
 15 or participation with any of them, who receive actual notice of this Order, are  
 16 permanently restrained and enjoined from directly or indirectly failing to provide  
 17 sufficient customer information to enable the Commission to efficiently administer  
 18 consumer redress. DeVry represents that they have provided any requested redress  
 19 information to the Commission. If a representative of the Commission requests in  
 20 writing any information related to redress, DeVry must provide it, in the form  
 21 prescribed by the Commission, within 30 days as permitted under and in  
 22 compliance with the Family Educational Rights and Privacy Act of 1974 (20  
 23 U.S.C. § 1232g; 34 C.F.R. Part 99).

## 24 **VIII. ORDER ACKNOWLEDGMENTS**

25 **IT IS FURTHER ORDERED** that DeVry obtain acknowledgments of  
 26 receipt of this Order:

27 A. Each of the Defendants, within 7 days of entry of this Order, must  
 28 submit to the Commission an acknowledgment of receipt of this Order sworn

1 under penalty of perjury.

2 B. For 10 years after entry of this Order, DeVry must deliver a copy of  
3 this Order to: (1) all principals, officers, directors, and LLC managers and  
4 members; (2) all employees, agents, and representatives who participate in  
5 advertising, marketing, admissions, or career services; and (3) any business entity  
6 resulting from any change in structure as set forth in the Section titled Compliance  
7 Reporting. Delivery must occur within 7 days of entry of this Order for current  
8 personnel. For all others, delivery must occur before they assume their  
9 responsibilities.

10 C. From each individual or entity to which DeVry delivered a copy of  
11 this Order, DeVry must obtain, within 60 days, a signed and dated  
12 acknowledgment of receipt of this Order.

### 13 **IX. COMPLIANCE REPORTING**

14 **IT IS FURTHER ORDERED** that Defendants and DeVry make timely  
15 submissions to the Commission:

16 A. One year after entry of this Order, each of the Defendants must submit  
17 a compliance report, sworn under penalty of perjury. The Defendant must:

- 18 1. identify the primary physical, postal, and email address and telephone  
19 number, as designated points of contact, which representatives of the  
20 Commission may use to communicate with that Defendant;
- 21 2. identify all of that Defendant's businesses by all of its names,  
22 telephone numbers, and physical, postal, email, and Internet  
23 addresses;
- 24 3. describe the activities of each business, including the goods and  
25 services offered, and the means of advertising, marketing, and sales,  
26 and the involvement of any other Defendant;
- 27 4. describe in detail whether and how that Defendant is in compliance  
28 with each Section of this Order including, but not limited to,

describing in detail the way that Defendant calculates, documents and substantiates any claim covered by this Order; and

5. provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

B. For 10 years after entry of this Order, each DeVry entity must submit a compliance notice, sworn under penalty of perjury, within 60 days of any change in:

1. any designated point of contact;
2. any process or procedure for calculating, documenting or substantiating any claim covered by this Order; or
3. the structure of any DeVry entity or any entity that DeVry has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

C. Each DeVry entity must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such DeVry entity within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal

1 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
 2 subject line must begin: FTC v. DeVry Education Group Inc.

### 3 **X. RECORDKEEPING**

4 **IT IS FURTHER ORDERED** that Defendants must create certain records  
 5 for 15 years after entry of the Order, and retain each such record for 5 years.  
 6 Specifically, Defendants must create and retain the following records:

7 A. Accounting records showing the revenues from all goods or services  
 8 sold;

9 B. Personnel records showing, for each person providing services,  
 10 whether as an employee or otherwise, that person's: name; addresses; telephone  
 11 numbers; job title or position; dates of service; and (if applicable) the reason for  
 12 termination;

13 C. Records of all consumer complaints (and any response) that relate to  
 14 any of the following:

- 15 1. any of the Defendants' advertisements;
- 16 2. the person's experience in attempting to obtain a career, job, or
- 17 employment, whether in the person's field of study or
- 18 otherwise;
- 19 3. the compensation or compensation range of jobs;
- 20 4. Defendants' job placement rates or employment statistics;
- 21 5. the assistance the person received or failed to receive from
- 22 Defendants in attempting to find employment;
- 23 6. unsolicited or undesired telephone calls or emails, including
- 24 alleged Do Not Call violations;
- 25 7. telemarketing practices or representations; or
- 26 8. any issue related to the GI Bill or a student's status as a veteran;

27 D. Records of all refund requests;

28 //

1 E. All records necessary to demonstrate full compliance with each  
 2 provision of this Order, including all submissions to the Commission; and

3 F. A copy of each unique advertisement or other marketing material.

#### 4 **XI. COMPLIANCE MONITORING**

5 **IT IS FURTHER ORDERED** that, for purposes of monitoring DeVry's  
 6 compliance with this Order and any failure to transfer any assets as required by  
 7 this Order:

8 A. Within 30 days of receipt of a written request from a representative of  
 9 the Commission, DeVry must: submit additional compliance reports or other  
 10 requested information, which must be sworn under penalty of perjury; appear for  
 11 depositions; and produce documents for inspection and copying. The Commission  
 12 is also authorized to obtain discovery, without further leave of court, using any of  
 13 the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including  
 14 telephonic depositions), 31, 33, 34, 36, 45, and 69.

15 B. For matters concerning this Order, the Commission is authorized to  
 16 communicate directly with each DeVry entity. DeVry must permit representatives  
 17 of the Commission to interview any employee or other person affiliated with any  
 18 DeVry entity who has agreed to such an interview. The person interviewed may  
 19 have counsel present.

20 C. The Commission may use all other lawful means, including posing,  
 21 through its representatives as consumers, suppliers, or other individuals or entities,  
 22 to DeVry or any individual or entity affiliated with DeVry, without the necessity of  
 23 identification or prior notice. Nothing in this Order limits the Commission's  
 24 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act,  
 25 15 U.S.C. §§ 49, 57b-1.

#### 26 **XII. EFFECTIVE DATE**

27 **IT IS FURTHER ORDERED** that this Order shall become effective upon  
 28 entry, except that, with respect to all subsidiaries of DeVry Education Group Inc.



1 other than DeVry University, Section II.B of this Order shall become effective 120  
2 days after entry of this Order.

3 **XIII. RETENTION OF JURISDICTION**


4 **IT IS FURTHER ORDERED** that this Court retains jurisdiction of this  
5 matter for purposes of construction, modification, and enforcement of this Order.

6  
7 SO STIPULATED:

8  
9 **FOR PLAINTIFF FEDERAL TRADE COMMISSION**

10  
11  
12 Dated:

12/14/16



Christina V. Tusan

John D. Jacobs

Attorneys for Plaintiff

FEDERAL TRADE COMMISSION

13  
14  
15  
16  
17 **FOR DEFENDANTS**

18  
19 Dated:

12/1/16



Alan N. Salpeter

Bryan M. Westhoff

Philip A. Giordano

Attorney for Defendants


DEVRY EDUCATION GROUP INC.,

DEVRY UNIVERSITY, INC. and


DEVRY/NEW YORK INC.




1  
2 Dated: 12/1/16

  
Gregory S. Davis  
Senior Vice President, General  
Counsel and Secretary  
DeVry Education Group Inc.  
3005 Highland Parkway  
Downers Grove, IL 60515  
*As an officer of DeVry Education  
Group Inc.*

9  
10 Dated: 12/1/16

  
Gregory S. Davis  
Secretary  
DeVry University, Inc.  
3005 Highland Parkway  
Downers Grove, IL 60515  
*As an officer of DeVry University, Inc.*

15  
16 Dated: 12/1/16

  
Gregory S. Davis  
Secretary  
DeVry/New York Inc.  
180 Madison Ave., Suite 900  
New York, NY 10016  
*As an officer of DeVry/New York Inc.*